S/017/0001
S/017/0050
cc: Wayne
Task: 4661

Enviroscientists, Inc.
1650 Meadow Wood Lane
Reno, Nevada 89502
(775) 826-8822 • fax: (775) 826-8857
www.enviroincus.com

Office Locations:
Reno, Nevada
Elko, Nevada
Boise, Idaho

February 6, 2012

via Electronic Mail (waynewestern@utah.gov)

RECEIVED
FEB 09 2012
DIV. OF OIL, GAS & MINING

Mr. Wayne Western
Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84118

Re: Deficient Notice of Intention to Commence Small Mining Operations, Ticaboo Stockpile Removal Project S/017/0001, Garfield County, Utah

Dear Mr. Western:

Ucolo Exploration Corporation (UCOLO) has requested the Enviroscientists, Inc. (Envioscientists), as environmental consultants of UCOLO, prepare and submit on their behalf, as recent statute R647-3-114 allows, the following reclamation plan, updated site-specific reclamation cost and inclusive small mine Notice of Intention. Per recommendation and instruction by Utah Division of Oil, Gas and Mining (DOGM), the following documents propose the combination of Ticaboo Stockpile Removal Projects S/017/0001 and S/017/0050. The inclusive Project area is approximately 7.6 acres and consists of two ore stockpiles, a growth media stockpile and a small road associated with the North Ore Stockpile. These areas are accounted for within the Reclamation Cost Update, and have been combined via a Reclamation Plan Amendment (Plan) and a bond release request (see attachments).

The attached documents are referenced in the responses below to a letter received from DOGM on January 25, 2012, regarding deficiencies within the Plan and the Ticaboo Stockpile Removal Project Area.

Comment 1: *The revised plans show a borrow location 50 feet south of the ore stockpile for S/017/0050 (see Figure 2 in the submittal dated December 16, 2011). If this borrow area is to be used for reclamation, it needs to be included as part of the permitted area including bonding costs. If cover material will be obtained from a commercial source, the borrow area does not need to be included as part of the permitted area. However, the cost to purchase the borrow material and transport it from a commercial site must be included in the reclamation cost estimate.*

Response 1: The borrow area has been included in the reclamation plan and bonding cost, as

Comment 2: *The borrow site is located near the Ticaboo Stockpile Removal Project (west area, S/017/0050) and does not appear to be within that permit area boundary. The disturbed area for S/017/0050 is 2.89 acres. The NOI for the west project does not have a map; rather, pictures show the stockpile. Please provide a permit area boundary map for S/017/0050. It needs to show both the stockpile and the borrow area. Please include the borrow area within the permit area for either S/017/0001 or S/017/0050.*

Response 2: Permit area S/017/0001 has been amended to include area previously covered under file name S/017/0050, as well as the previously mentioned borrow area. All areas previously mentioned have been combined and included in the Plan as well as bonding cost.

Comment 3: *Please modify the NOIs for both S/017/0001 and S/017/0050 so that the reclamation plan shows borrow material near or in S/017/0050 (depending on how the NOIs are modified) being used to reclaim S/017/0001.*

Response 3: Modifications have been made to the Notice of Intent (NOI) for S/017/0001 to include the area previously covered under file name S/017/0050. Modifications to the NOI for S/017/0001 also include a reclamation plan for the borrow area.

Please provide Enviroscientists with a courtesy copy of all correspondences with UCOLO concerning the Project. Should you have any questions or require further information, please do not hesitate to call our office at (775) 826-8822.

Sincerely,

Enviroscientists, Inc.

Sarah Peters
Environmental Specialist

SCP:ns

Attachments: Reclamation Plan, Reclamation Cost Estimate, Bond Release Document, NOI and Show of Changes Document, and Figures.

cc: Sue Fivecoat – BLM – Hanksville, Utah (w/attachments)
Todd Hilditch – UCOLO – Vancouver, B.C. (w/ attachments)

Enviroscientists, Inc.

1650 Meadow Wood Lane
Reno, Nevada 89502
(775) 826-8822 • fax: (775) 826-8857
www.enviroincus.com

Office Locations:
Reno, Nevada
Elko, Nevada
Boise, Idaho

February 6, 2012

via Electronic Mail (waynewestern@utah.gov)

Mr. Wayne Western
Utah Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84118

Re: Reclamation Plan and Reclamation Cost Update for the Ticaboo Stockpile Removal Projects S/017/0001 and S/017/0050, Garfield County, Utah

Ucolo Exploration Corporation (UCOLO) has requested that Enviroscientists, Inc. (Enviroscientists), as environmental consultants to UCOLO, prepare and submit on their behalf the following reclamation plan as well as a combined and updated site-specific reclamation cost (Update) for the Ticaboo Stockpile Removal Projects S/017/0001 and S/017/0050 (Project) located in Garfield County, Utah. The Project's reclamation cost is determined using the BLM provided reclamation cost worksheets. As requested by the State of Utah Department of Natural Resources Division of Oil, Gas, and Mining (DOGM), the combination of the two previously separately bonded projects mentioned above are completed via this Update, a Request for Release of Bond on S/017/0050, and an Amendment to the Plan of Operations on S/017/0001.

The Project location can be found on Figure 1. The Project consists of two ore stockpiles, one growth media stockpile and a short stretch of road (Figure 2) located on public lands administered by the Bureau of Land Management Henry Mountain Field Station (BLM) in Section 21, Township 35 South, Range 11 East (T35S, R11E), Salt Lake Base and Meridian (SLB&M), Garfield County, Utah (Project Area). Access to the Project Area is via State Highway 276 north of Ticaboo and then west and north along the Shootaring Creek Road, an improved dirt road.

The Project consists of removing two stockpiles of mineralized material for the purpose of extracting uranium. Upon obtaining a milling agreement, UCOLO will load highway-rated tractor trailers using a Caterpillar 980 loader, or equivalent equipment, and will truck the material to an off-site processing facility. After the stockpile material has been removed, the site will be ripped and reseeded. Additionally, there is approximately 0.3 acre of road disturbance that is associated with accessing the North Ore Stockpile, and an approximately 1.5-acre footprint associated with a Growth Media Stockpile to be used as required for reclamation.

Under the 2008 Plan, the Project was estimated to be completed by summer 2011. However, the Project schedule has been significantly impacted due to the currently unfavorable economic condition for uranium sales and has not progressed since the Plan was approved. UCOLO estimates that it may still be several years before the Project is economically feasible and a buyer for the stockpiled material is secured. The submittal of this Update was requested by DOGM to include a description of the reclamation activities as necessary should the material not be removed from the current site location.

Reclamation Plan

Reclamation will be completed to the standards described in 43 CFR 3809.420. Reclamation will meet the reclamation objectives as outlined in the U.S. Department of Interior Solid Minerals Reclamation Handbook #H-3042-1 (BLM 1992), and Surface Management of Mining Operations (NSO) Handbook H-3809-1 (BLM 1989).

Reclamation will be designed to achieve post-mining land uses consistent with the BLM's land use management plans for the area, which are outlined in the Henry Mountain Management Framework Plan (BLM 1982). Reclamation is intended to return disturbed land to a level of productivity comparable to pre-mining levels. Post-mining land use includes wildlife habitat, livestock grazing, hunting, and dispersed recreation. The post-mining land use is not expected to differ from pre-exploration land use.

UCOLO conducted an auger drilling program in October 2008. The data from this drilling program were used to analyze the continuity and determine the stability of the stockpiled material. The stockpiles are currently in a stable configuration.

The general technique for reclamation will be to ensure that the stockpiles have a slope no greater than three horizontal feet to one vertical foot (3H:1V), and to regrade all other disturbed areas related to this Project appropriately. Following regrading, the North and South Ore Stockpiles will be covered with approximately two feet of growth media and will then be reseeded. The North Ore Stockpile has a disturbance footprint of approximately 2.8 acres and the Southern Ore Stockpile has a disturbance footprint of approximately three acres. After growth media have been fully utilized, the approximately 1.5-acre growth media disturbance area will be recontoured to its approximate original contour, ripped and seeded. The approximately 0.3 acre constructed road will be recontoured, ripped and seeded. All seeding will be conducted using the approved reclamation seed mixture and application rates provided by the BLM (Table 1). Yearly visits to the site will be conducted to monitor the success of the revegetation for a period of three years or until revegetation success has been achieved. The total surface disturbance associated with the Project is approximately 7.6 acres.

Growth Media Placement

Growth media will be obtained from a Growth Media Stockpile located approximately 50 feet south of the South Ore Stockpile, which is shown on Figure 1. Upon final reclamation, the growth media will be placed over the surface of the stockpiles. Material from the Growth Media Stockpile will be transferred using a scraper, which will then place the growth media on the stockpiles. This process will continue until approximately 24 inches of growth media have been placed on the stockpiles. The controlled bulldozer tracking may be performed during placement

of the growth media to roughen the surface, lightly compact the material, increase water retention, and aid in erosion prevention. The bulldozer will be used to complete cover placement and to insure that all Project associated slopes are stabilized at a 3H:1V ratio or less. At this time, UCOLO assumes that no soil amendments will be included in the reclamation bond cost estimate.

Seeding Methods

All reclaimed surfaces will be revegetated to manage runoff, reduce erosion, and provide forage for wildlife and livestock, and reduce visual impacts. Seed will be applied with a mechanical broadcaster and harrow or equivalent equipment. Seedbed preparation and seeding will take place in the fall after grading and redistribution of growth media. The BLM-approved seed mix is shown in Table 1.

Table 1: Proposed Seed Mix

Species		Application Rate (lbs PLS[1]/acre)
Common Name	**Scientific Name**	
Shadscale	*Atriplex confertifolia*	2.0
Four-wing saltbrush	*Atriplex canescens*	4.0
Desert spinach	*Atriplex polycarpa*	3.0
Quail brush	*Atriplex lentiformis*	3.0
White bursage	*Ambrosia dumosa*	1.0
Desert globemallow	*Sphaeralcea ambigua*	0.5
Palmer's phacelia	*Phacelia palmeri*	0.5
	Total	**14.0**

[1]Pure Live Seed

The seed list, provided by the BLM (Table 2), is designed to promote plant species that can exist in the environment of southern Utah, are proven species for revegetation, or are native species found in the plant communities prior to disturbance. Broadcast seeding will be at a rate of approximately 14 pounds per acre. Changes or adjustments to the reclamation plant list or application rate will be completed in consultation with and approval from the BLM and the DOGM. The seed mixture will be certified pure live seed and weed free. Straw bales used for erosion control will also be certified as weed free.

Control of Undesirable Species

Noxious weeds can readily invade disturbed areas associated with exploration projects. UCOLO will be responsible for the following: 1) identifying noxious weeds in the Project Area (booklets and pamphlets will be provided by the BLM); 2) excluding noxious weeds from disturbed areas until reclamation has been accepted; and 3) insuring all equipment is "weed free" before traveling to and from the Project Area so that noxious weeds are not spread to new locations. When noxious weeds are encountered in the Project Area, documentation of their location and extent will be provided to the BLM as soon as possible. UCOLO will obtain approval from the BLM authorized officer prior to any herbicide application. UCOLO will contact the BLM's noxious weed program lead regarding any issues concerning noxious weeds.

To minimize the introduction of noxious weeds into the Project Area, the following preventative measures will be implemented by UCOLO: 1) stay on existing roads to and from the mine site and in the Project Area, 2) use a certified weed-free seed mix during reclamation, 3) conduct concurrent reclamation when feasible, and 4) implement a weed monitoring and control program. UCOLO will survey the Project Area annually, as part of the revegetation success review, for invasive weed species. If a limited amount of weeds is discovered, they will be pulled, placed in a plastic bag, sealed, and disposed of properly. For more intensive infestations, UCOLO will consult with the BLM on containment and eradication measures.

Revegetation Scheduling

Reclamation activities will be timed to take advantage of optimal climatic conditions. Table 2 outlines the anticipated reclamation schedule on a monthly basis, which will be followed to achieve the reclamation goals set forth above.

Table 2: Anticipated Exploration Reclamation Schedule

TECHNIQUES	Quarter				
	1st Jan.-Mar.	2nd April-June	3rd July-Sept.	4th Oct.-Dec.	Year(s)
Regrading					Within 2 years of Project completion
Seeding					Within 2 years of Project completion
Monitoring					3 years beyond regrading and reseeding

Timing of revegetation activities is critically important to the overall success of the program. Seeding activities will be timed to take advantage of optimal climatic periods and will be coordinated with other reclamation activities. In general, earthwork and drainage control will be completed in the summer or early fall. Seedbed preparation will generally be completed in the fall, either concurrently with or immediately prior to seeding. Seeds will be sown in late fall to take advantage of winter and spring precipitation and optimum spring germination. Early spring seeding may be utilized for areas not seeded in the fall.

Reclamation Cost Estimate

UCOLO has attached an updated reclamation cost estimate for the 7.6 acres of Project-related surface disturbance that will require reclamation, as requested by DOGM. This reclamation cost estimate includes the costs associated with the placement of growth media from the nearby stockpile to both the North and South Ore Stockpiles and the application of seed for revegetation. The Project is currently bonded with DOGM for $6,000.00 under S/017/0001 and $10,000.00 under S/017/0050. The attached updated reclamation cost estimate totals $34,000.00, as calculated using DOGM provided worksheets for the total combined Project disturbance. Upon receiving concurrence from the DOGM and BLM that this reclamation cost estimate is sufficient, UCOLO will increase the existing bond accordingly. The enclosed figures show the location of the stockpiles as well as the source for growth media.

Please provide Enviroscientists with a courtesy copy of all correspondences with UCOLO concerning the Project. Should you have any questions or require further information, please do not hesitate to call our office at (775) 826-8822.

Sincerely,

Enviroscientists, Inc.

Sarah Peters
Environmental Specialist

SCP:ns

Attachments: Figures and reclamation cost estimate

cc: Sue Fivecoat – BLM – Hanksville, Utah (w/attachments)
Todd Hilditch – UCOLO – Vancouver, B.C. (w/ attachments)

Bonding Calculations

Direct Costs		
Subtotal Demolition and Removal	$0.00	
Subtotal Grading and Ripping	$6,210.79	
Subtotal Revegetation	$19,928.42	
Direct Costs	$26,139.21	
Indirect Costs		
Mob/Demob	$2,614.00	10.0%
Contingency	$1,307.00	5.0%
Engineering Redesign	$653.00	2.5%
Main Office Expense	$1,777.00	6.8%
Project Management Fee	$653.00	2.5%
Subtotal Indirect Costs	$7,004.00	26.8%
Total Cost 2010	$33,143.21	
Number of years		5
Escalation factor		0.005
Escalation	$837.00	
Reclamation Cost Escalated	$33,980.21	
Bond Amount (rounded to nearest $1,000) 2013 Dollars	$34,000.00	
Posted Bond		
Difference Between Cost Estimate and Bond	-$34,000.00	
Percent Difference		

Ticaboo Stockpile Removal Project 2/6/2012 Prepared by Enviroscientist, Inc.	Cost	Page 1 of 4
Grading Cost	$636.53	
Ripping Cost	$5,574.26	$6,210.79
Seeding Cost	$19,928.42	
Subtotal	$26,139.21	

	Equipment Cost/month	Hourly Operating Costs	Equipment Overhead	Operator's Hourly Wage Rate	Hourly Cost	Number of Men or Eq.	Total Eq. & Lab. Costs	Units	Quantity	Units	Production Rate	Units	Equip. + Labor Time/Dis.	Units	Page 2 of 4 Cost
Dozer D8R (9-45k2nd2011)	18275	90.00	10%	70.25	$295.04	1	$295.04	$/hour	7.4	acres	3.43	acre/hour	2.2	hour	$638.53
Subtotal															$638.53

Assume: Dozer will grade mast and recontour stock pile as needed to meet a slope standard of no greater than 3:1. Above quantity includes total Project Area surface disturbance foot print.

	Equipment Cost/month	Hourly Operating Costs	Equipment Overhead	Operator's Hourly Wage Rate	Hourly Cost	Number of Men or Eq.	Total Eq. & Lab Costs	Units	Quantity	Units	Production Rate	Units	Equip. + Labor Time/Dis.	Units	Page 3 of 4 Cost
Dozer D8R (8-45)(2nd2011)	18375	99.95	10%	70.25	$295.04	1	$295.04	$/hour	na	acres	na	ac/hour	17.4	hour	$5,133.67
Multi-Shank Ripper 260-355 P (8-50)(2nd2011)	3485	8.9	10%	0	$25.32	1	$25.32	$/hour	1455	C.Y.	84.3	CY/hour	17.4	hour	$440.59
Subtotal															$5,574.26

Assume: Ripping only required for 0.3 acres of road reclamation. Ripper is attached and towed by Dozer. Time for both is limited by ripper production.

	Equipment Cost/month	Hourly Operating Costs	Equipment Overhead	Operator's Hourly Wage Rate	Hourly Cost	Number of Men or Eq.	Total Eq. & Lab. Costs	Units	Quantity	Units	Production Rate	Units	Equip. + Labor Time/Dis	Units	Page 4 of 4 Cost
627G EROPS P-P (5-44) (2ND2011) Wheel Tractor-Scraper	22870	176	10%	20.25	$408.54	1	$408.54	$/hour	18715	CY	615.6	CY/hour	30.4	hour	$12,338.42
Hand seeding rate $1000 per acre							$1,000.00	$/acre	7.6	acre					$7,600.00
Subtotal															$19,938.42

Assume: Time and volume of material will be equal for both dozer and scraper to move
Assume: BLM approximate reseeding rate is $1000 per acre.
Reseeding includes ore stockpile, footprint of growth media stockpile and road

Project: Ticaboo Project
Date: 02/06/12
Prepared by: Enviroscientists, Inc.

WORKSHEET 6
PRODUCTIVITY AND HOURS REQUIRED FOR DOZER USE - GRADING

Earthmoving Activity:

Area to be graded determined by 750-foot length by 12-foot width of road and to regrade the North and South stock pile's to a less than 3:1 slope. The growth media foot print of 1.5 acres would also be included. The total area required for regrading is 7.6 acres.

Characterization of Dozer Used (type, size, etc.):

The proposed Dozer would be a D8R with a Universal "U" Blade. Blade capacity is 15.3 CY, total length with blade is 22'3", with a width of 14'0".

Description of Dozer Use (% grade, effective blade width, operating speed, etc.):

The ground grade is five percent uphill. The Dozer has an effective blade width is 14'0", operating speed of 4.7 mph. An efficiency factor was determined by a 50 min/hr job efficiency. Weight correction assumed since soil weights are not available at this time. Assume average operator and material as hard to cut with tilt cylinder. Assume production method/blade factor of 0.83.

Productivity Calculations:

Operator Adjustment Factor = 0.75 (operator factor) x 0.80 (material factor) x 0.83 (efficiency factor) x 1.50 (grade factor) x 0.87 (weight correction factor)

x 0.83 (production method/blade factor) x 0.80 (visibility factor) x 1.00 (elevation factor) = 0.43

Hourly Production = 4.7 (average speed) mi/hr x 14.0 (effective blade width) ft x 5280 ft/mi x 1 ac

÷ 43560 ft^2 = 8.0 ac/hr

Net Hourly Production = 8.0 ac/hr x 0.43 (operating adjustment factor) = 3.43 ac/hr

Hours Required = 8 (area to be graded) ac ÷ 3.43 (net hourly production) ac/hr = 2.2 hr(s)

Data Source(s):
Operator Adjustment Factors and other characteristics found in the Caterpillar Performance Handbook, Ed 34, 2003.

Project: Ticaboo Project
Date: 02/06/12
Prepared by: Enviroscientists, Inc.

WORKSHEET 7
PRODUCTIVITY AND HOURS REQUIRED FOR RIPPER-EQUIPPED DOZER USE

Ripping Activity:

The Multi-Shank Ripper 260-359 P (9-50) (2nd2011) would be used to rip 0.3 acres of road and 1.5 acres growth media stockpile footprint for a total ripped area of 1.8 acres

Characterization of Dozer and Ripper Use:

The Dozer proposed for use is the D8R, with an Adjustable Parallelogram Multi-Shank Ripper 260-359 P attachment.

Description of Ripping (ripping depth, cut spacing, cut length, and material to be ripped):

For the descriped dozer-ripper rig, the ripping depth will be 0.5 feet, with a cut spacing of 3'10.4", and a cut length of 8'8". Soil data is unavailable at this time, but is assumed to be hard to cut, compact material.

Productivity Calculations:

Cycle Time = 8.083333 ft (cut length) ÷ 88 ft/min ([speed]) + 0.25 min (fixed turn time*) = 0.3 min/pass

Passes/Hour = 60 min/hr ÷ 0.3 min/pass (cycle time) x 0.83 (efficiency factor) = 145.7 passes/hr

Volume Cut/Pass = (0.5 ft (tool penetration) x 3.866667 ft (cut spacing) x 8.083333 ft (cut length)) ÷ 27 ft^3/yd^3

= 0.58 BCY/pass

Hourly Production = 0.58 BCY/pass x 145.7 passes/hr = 84.3 BCY/hr

Hours Required = 1468 BCY (bank volume to be ripped**) ÷ 84.3 BCY/hr (hourly production) = 17.4 hr

* Fixed turn time depends upon dozer used. 0.25 min/turn is normal.

** Remember to use the swell factor to convert from bank cubic yards to loose cubic yards when applying these data to Worksheet 5. Calculate separate dozer hauling of ripped material for each lift on that worksheet.

Data Source(s):
Characteristics of equipment found in the Caterpillar Performance Handbook, Ed 34, 2003.

Project: Ticapoo Project
Date: 02/06/12
Prepared by: Enviroscientist, Inc.

WORKSHEET 11A
PRODUCTIVITY OF PUSH-PULL OR SELF-LOADING SCRAPER USE

Earthmoving Activity:

The self-loading scraper would be used to move growth medium from the growth medium stockpile an approximate distance of 50 feet to the ore stockpiles after regrading has occured. The growth media will cover 24 inches over the entire area of both ore stockpiles making the total volume to be scraped 19,037 CY.

Characterization of Scraper Used (type, capacity, etc.):

A 627G Wheel Tractor-Scraper with a struck capacity of 15.7 CY, an empty weight of 82,773 lb and a rated payload of 52,800 lb.

Description of Scraper Use (origin, destination, grade, haul distance, capacity, etc.):

A 627G Wheel Tractor-Scraper would be used to move growth medium form the growth medium stockpile, 50 feet to the ore stock pile. The scraper capacity is 15.7 CY. Grade of area is five percent.

Productivity Calculations:

Cycle Time = 0.5 min (load time (push-pull is per pair)) + 0.1 min (loaded trip time) + 0.6 min (maneuver and spread time) + 0.1 min (return trip time)

= 1.3 min (push-pull is per pair)

Hourly Production = 15.7 LCY (capacity*) x 60 min/hr ÷ 1.3 min (cycle time**) x 0.83 (efficiency factor)

= 615.6 LCY/hr (push-pull is per pair)

Hours Required = 18715.0 LCY (volume to be handled) ÷ 615.6 LCY/hr (net hourly production) = 30.4 hr

* The average of the struck and heaped capacities; use total for two scrapers for push-pull.

Data Source(s):
Equipment characteristics found in the Caterpillar Performance Handbook, Ed 34, 2003.

Form MR-REV-SMO (DOGM – Revise/Amend Change Form)
(Revised November 21, 2006)

Application to Revise a Notice of Intention to Commence Small Mining Operations or Exploration

Operator: Ucolo Exploration Corp.

Mine Name: Ticaboo

File Number: E or M/ S/017/0001

Provide a detailed listing of all changes to the Notice that will be required as a result of this change. Individually list all maps and drawings that are to be added, replaced, or removed from the Notice. Include page, section and drawing numbers as part of the description.

DETAILED SCHEDULE OF CHANGES TO THE NOTICE

			Description of map, text, or materials to be changed
ADD	REPLACE	REMOVE	Page 1
ADD	REPLACE	REMOVE	Page 2
ADD	REPLACE	REMOVE	Page 3
ADD	REPLACE	REMOVE	Page 4
ADD	REPLACE	REMOVE	Page 6
ADD	REPLACE	REMOVE	Page 7
ADD	REPLACE	REMOVE	Figure 2 - Operation Map
ADD	REPLACE	REMOVE	
ADD	REPLACE	REMOVE	

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

Todd Hilditch
Print Name

Sign Name, Position — Director, President, Treasurer and Secretary

February 1, 2012
Date

Return to:

State of Utah
Division of Oil, Gas and Mining
Attn: Minerals Regulatory Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Phone: (801) 538-5291 Fax: (801) 359-3940

P:\GROUPS\MINERALS\WP\FORMS\Notices\Final\revision_SMO_EXP.doc

FOR DOGM USE ONLY:
File #: M/ /
Approved:
Bond Adjustment: from ($)
to $

Form MR-SMO
(Revised June 29, 2011)

This Section for DOGM Use:
Assigned DOGM File No.: S/017/0001
DOGM Lead: _____
Permit Fee $_____ Ck# _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The information requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program (R647). The rules and Act are available online at http://www.rules.utah.gov/publicat/code/r647/r647.htm and http://le.utah.gov/~code/TITLE40/40_08.htm.

Cultural Resources Survey: To fulfill its obligations under Utah Code Annotated 9-8-404, the Division needs cultural resource (archaeology) information. The amount and type of information required will depend on the mine location, the history of previous disturbance, and other factors. Please contact the Division for further information.

A permit fee of $150 or $500 must accompany this application (Utah Code Ann. §40-8-7(1)(i)) and is due annually. The fee is $150 for a mine with a disturbed area of five acres or less, and the fee is $500 if the disturbed area is between five and ten acres.

"Small Mining Operations" are operations which have a disturbed area of ten or fewer surface acres at any time in unincorporated areas, or five acres or fewer in incorporated areas.

* * * * * * * * *

I. GENERAL INFORMATION (Rule R647-3-104)

1. Name of Mine: Ticaboo Stockpile Removal Project
2. Operator Name (Legal Name): Ucolo Exploration Corp.

Mailing Address: Suite 960, 1055 West Hastings Street
City, State, Zip: Vancouver, BC, Canada V6E 2E9
Phone: Toll Free: (877) 792-6688 Fax: (604) 682-3860
E-mail Address: loree@summitpointuranium.com

Type of Business: Corporation (X), LLC (__), Sole Proprietorship (dba) (__)
General Partnership (__), Limited Partnership (__), Individual (__).

Business Entity (not individuals) must be registered (and maintain registration) with the State of Utah, Division of Corporations (DOC) If not currently registered, contact www.commerce.utah.gov to renew or apply. Business Entity #: 689897045-0142

Local Business License #: Not required. (if required)
Issued by: County: _____ or City: _____

3. **Contact Person(s):**
Registered Utah Agent (as identified with the Utah DOC) *(if individual leave blank)*:
Name: CT Corporation System Title: _____
Address: 136 E. South Temple, Suite 2100
City, State, Zip: Salt Lake City, Utah 84111
Phone: 801-531-7090 Fax: Not applicable.
E-mail Address: Not applicable.

I.3. **Contact Person(s) (continued):**

This person to be notified for: permitting (X) surety (X) (check all that apply)
Name: Loree Gregg Title: Corporate Paralegal
Address: Suite 960, 1055 West Hastings Street
City, State, Zip: Vancouver, BC, CANADA V6E 2E9
Phone: Toll free: (877) 792-6688 Fax: (604) 682-3860
Emergency, Weekend, or Holiday Phone: (775) 770-4615 (Nancy Wolverson)
E-mail Address: loree@summitpointuranium.com

This person to be notified for: permitting (X) surety (X) (check all that apply)
Name: Nancy Wolverson Title: Vice President, Exploration
Address: 7830 Fire Opal Lane
City, State, Zip: Reno, Nevada, USA, 89506
Phone: (775) 770-4615 Fax: Not applicable.
Emergency, Weekend, or Holiday Phone: (775) 770-4615
E-mail Address: nancyjeanw@aol.com

This person to be notified for: permitting (X) surety (X) (check all that apply)
Name: Rich DeLong Title: President, Enviroscientists, Inc.
Mailing Address: 1650 Meadow Wood Lane
City, State, Zip: Reno, Nevada, USA, 89502
Phone: (775) 826-8822 Fax: (775) 826-8857
Emergency, Weekend, or Holiday Phone: (775) 826-8822
E-mail Address: rdelong@environcus.com

4. **If Business is a Sole Proprietor (dba) or Individual:**
Name of Owner: Not applicable. Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Corporation:
Name of Officers: Todd Hilditch Title: Director, President, Treasurer and Secretary
Name: Nancy J. Wolverson Title: Vice President, Exploration
Name: Thomas P. Erwin Title: Assistant Secretary

Headquarters Address: Suite 960, 1055 West Hastings Street
City, State, Zip: Vancouver, BC, Canada V6E 2E9
Phone: Toll Free: 1 (877) 792-6688 Fax: (604) 682-3860
E-mail Address: loree@summitpointuranium.com

If Business is a Limited Liability Company: Member Managed (__) Manager Managed (__)
Name of 1st Member/Manager: Not applicable. Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

Name of 2nd Member/Manager: _____ Title: _____
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Business is a Partnership:
Names of Partners: Not applicable.
Business Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

5. **Ownership of Land Surface:**

Private (Fee) (__) BLM (_X_) US Forest Service (__)
State Trust Land/School Sections (__) State Sovereign Lands (__)
Other (please describe): _____
Name Henry Mountain, Field Station Address P.O. Box 99 Hanksville, Utah, USA 84734

6. **Ownership of Minerals:**

Private (Fee) (__) BLM (_X_) US Forest Service (__)
State Trust Land/School Sections (__) State Sovereign Lands (__)
Other (please describe): _____
Name Henry Mountain, Field Station Address P.O. Box 99, Hanksville, Utah, USA, 84734.

BLM Claim Number(s): UMC 406646, 406647, 406648, 406650, 371505 and 371507.
Utah State Lease Number(s): Not applicable.
BLM/USFS Lease or Project File Number(s): UTU 080036
Name of Lessee(s): _____

7. **Have the above surface and mineral owners been notified in writing?** Yes _X_ No _____
If no, why not? _____

8. **Does the Entity have legal right to enter** and conduct mining operations on the land covered by this notice? Yes X No _____

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. **Project Location & Map** (legal description):

County(ies): Garfield

_____1/4, of _____1/4, of NW 1/4, Section: 21 Township: 35 S Range: 11 E
_____1/4, of _____1/4, of _____1/4, Section: 21 Township: 35 S Range: 11 E
_____1/4, of _____1/4, of _____1/4, Section: _____ Township: _____ Range: _____

UTM East: _____(if known) UTM North: _____(If known)

Name of Quad Map for Location: Copper Creek Benches, Utah 7.5'

2. **Is the project within an incorporated area?** (___) Yes (_X_) No
If yes, what is the town or city? _____
3. **Location and Operations maps** must be plotted at a scale to accurately identify locational landmarks and operations details. All maps must include a north arrow, scale, appropriate labels, and title box including the mine name, township, range and section.

a. The **general location map** must be the scale of a USGS 7.5 minute series map or equivalent (1"=2000') and identify new or existing access roads.

b. The **operations map** (1"=200' or other scale as determined necessary by the Division) must be labeled and identify:

i. The area to be disturbed;
ii. The location of any existing or proposed operations including access roads, drill holes, trenches, pits, shafts, cuts, or other planned activities; and
iii. Any adjacent previous disturbance for which the operator is not responsible.

(Contact the Division for a list of consultants and land surveyors for mapping assistance.)

4. The proposed (5 acre or less) disturbed area (including access/haul roads) should be marked ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. **Type of mining:** Surface (X) Underground (___)
2. **Mineral(s) to be mined:** Uranium
3. **Amount of material** to be extracted, moved, or proposed to be moved: 59,443 cubic yards
4. Will any **water, liquid chemicals, reagents, or other solutions** be used, produced or discharged as part of the mining or milling process? Yes (___) No (X) If yes, please describe (add extra pages if needed): _____
5. Provide a brief **description of the proposed mining operation**, and onsite processing facilities (add extra pages if necessary). Once an Ore Milling Agreement is obtained, the existing mineral stockpiles will be loaded into highway trucks with a Cat 980 loader (or similar equipment) and trucked off site for processing. Once removed, the site will be ripped and then reseeded.
6. (___) **New Road(s)**: Length _____(ft), Width _____(ft)
7. (X) **Improved Road(s)**: Describe improvements that need to be made to existing roads to access the site, including the Length _____ (ft) and Width _____ (ft) **of new disturbances**.
   Historic road will be re-constructed to access the stockpile. The total disturbance is 0.3 acres. See attached map.
8. Total project surface **acreage to be disturbed**: 7.6 (acres) PLEASE SPECIFY EXACT ACREAGE *(this will be used to determine surety bond amount – see #VI)*.
9. Proposed **startup date** (month, year): June 2011
10. Proposed **completion**, if known (month, year): _____

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover or within practical limits. To accomplish this, the Permittee /

Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at::
https://fs.ogm.utah.gov/pub/MINES/Coal_Related/RecMan/Reclamation_Manual.pdf.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*
14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance must be approved writing *in advance* by the Division

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. Operation and Reclamation Practices Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measures to be utilized to meet the intent of the rule. Written approval from the Division will be given, if the proposed alternative methods to be used are consistent with the Act.

Are variances being requested? Yes (__) No (X)

Variance Requested

_____ _____

Item # Applicable Rule

Justification: _____

_____

Alternate methods or measure to be utilized: _____

_____

_____

Attach additional page(s) if more variances are requested.

VI. **SURETY** (Utah Code Ann. §40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations. No surface disturbance is authorized until the surety is posted and approved in writing. The surety may be provided in the form of a certificate of deposit, a letter of credit, a surety bond, or cash. Please contact the Division for further information about submitting the surety. All mining operations are required to furnish and maintain reclamation surety to guarantee that the land affected is reclaimed (Utah Code Ann. §40-8-7(1)[c]).

The reclamation surety amount is based on the nature, extent and duration of operations. The amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions. Reclamation surety for small mines is reviewed every three (3) or five (5) years and adjusted as necessary for inflation/deflation based upon acceptable Costs Index. **Contact the Division for the dollar amount required for a three (3) or five (5) year period for this project.**

VIII. SIGNATURE REQUIREMENT

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

a. I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND

b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

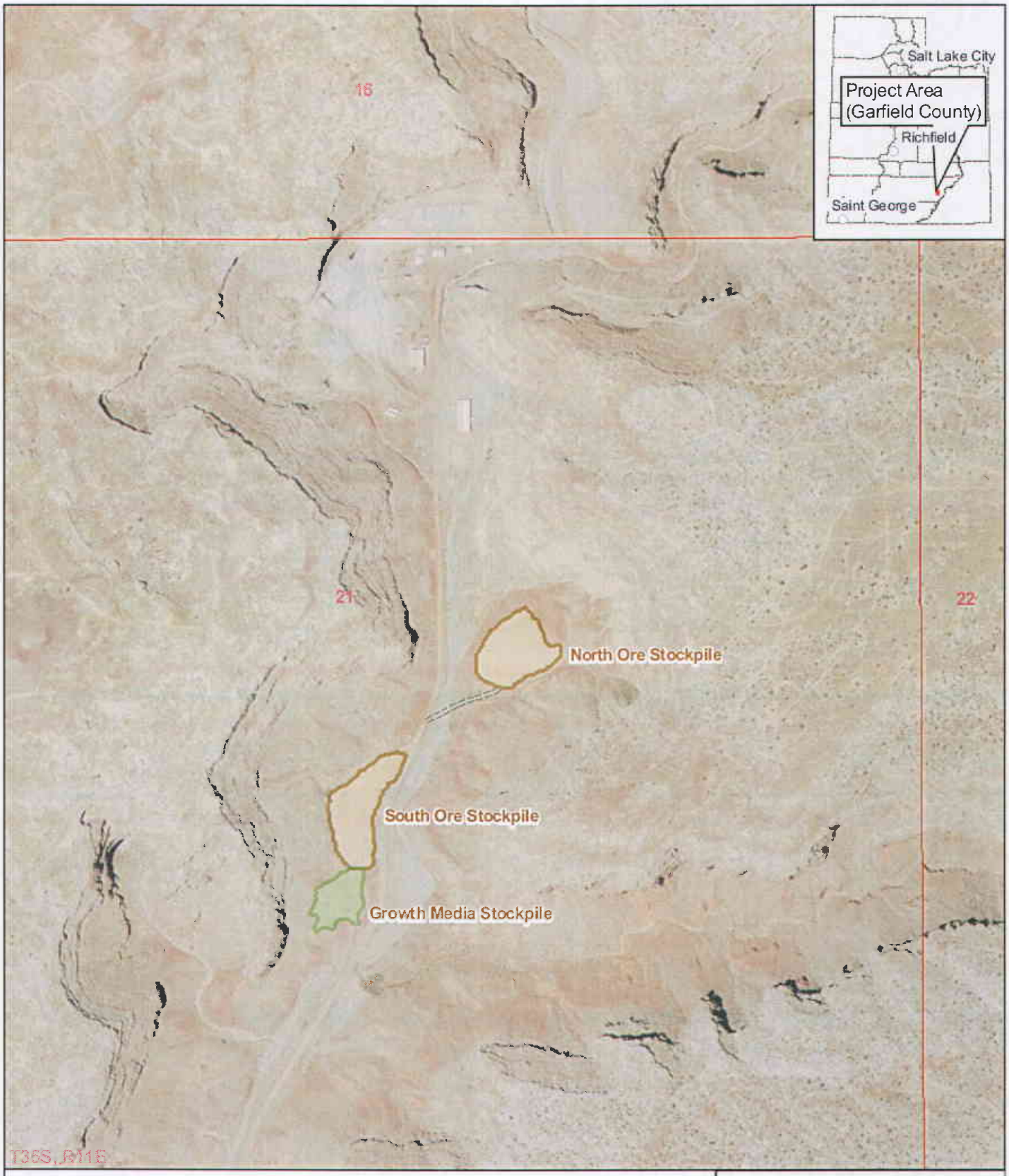
c. **This certification must be signed by:** (1.) an executive officer if the applicant is a corporation; (2.) a partner if applicant is a partnership (general or limited); (3.) the owner if applicant is a sole proprietorship; **or** (4.) the member or manager if applicant is a limited liability company.

Signature: _____ Date: February 1, 2012

Name (typed or printed): Todd Hilditch

Title/Position (if applicable): Director, President, Treasurer and Secretary

O:\FORMS\Notices\mr-smo-06292011.doc



Explanation

- Access Road (0.3 acre)
- Growth Media Stockpile (1.52 acres)
- Ore Stockpiles
  - North = 2.81 acres
  - South = 3.01 acres

Feet: 0 250 500 750 1,000

Meters: 0 100 200 300

N

Projection: NAD 83, UTM Zone 12

UCOLO EXPLORATION CORP.

TICABOO PROJECT

Project Location and Existing Disturbance

Figure 2

10/29/07 MT,CEL
01/27/2012 JCH
NAIP Utah 2011 1m NC
2734X 1738Q Fig2 SiteReclam Revised012712.mxd